

(d) what is the justification for recourse to such action, while the banks and financial institutions are increasing the rate of interest on loans and that the rate of inflation is going up; and

(e) whether it would be feasible to disband EPFO to give charge of EPF to nationalized banks, to reduce cost of the administration?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): (a) The rate of interest declared by the Government for the years 2003-04 & 2004-05 was 9.5 per cent, while for the year 2005-06 it was 8.5 per cent.

(b) The rate of interest in a given year is declared by the Government in consultation with the Central Board of Trustees, Employees Provident Fund, which in turn, makes recommendations on the basis of the projected incomes and projected interest payment liabilities. The recommendations of the Central Board of Trustees, (EPF) regarding rate of interest to be paid on Employees' Provident Fund for 2006-07 has not been received by the Government so far.

(c) and (d) Do not arise in view of (b) above.

(e) The Employees' Provident Fund Organisation is a Social Security Organisation and the activities of the Organisation include coverage of establishments and extension of benefits to the eligible employees, collecting/crediting of contributions and delivery of benefits in the form of Provident Fund, Assurance Benefits and Monthly Pension, etc. Hence, it would not be feasible to disband EPFO and give the charge of EPF to nationalized banks.

Reflection of retail prices in Consumer Price Index

830. SHRI T.T.V. DHINAKARAN: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether there have been complaints from trade unions that the Consumer Price Index (CPI) does not reflect the actual retail prices of essential commodities;

(b) if so, the details thereof;

(c) whether the views of Labour Ministry are obtained while revising the CPI; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): (a) and (b) Yes. Sir. Shri Uday Patwardhan, General Secretary, Bhartiya Mazdoor Sangh in his letter dated 30.05.2006 addressed to Labour Bureau observed that the new All India Consumer Price India (AICPI) remaining stagnant during January to March, 2006, despite increase in prices of wheat, rice, sugar, gur, cereals etc., possibly due to improper price collection, has eroded dearness allowance payable to employees, which should be rectified.

A reply was sent to Shri Patwardhan by Labour Bureau of 14.07.2006 stating that as against January, 2006, during February, 2006 price indices decreased in 30 centres, while they remained stationary in 31 centres and recorded increase in 17 centres. Similarly, during March, 2006 while price indices decreased in 19 centres, they remained stationary in 27 centres and increased in 32 centres. On the other hand, during April, 2006, while price indices decreased in 5 centres, they remained stationary in 15 centres and increased in 58 centres. As a result, while rounding up, the AICPI with base 2001=100 remained at 119 during January, February and March, 2006 but increased to 120 during April, 2006; and subsequently to 121 in May, 2006; to 123 in June, 2006; to 124 during July and August, 2006 and to 125 during September, 2006.

(c) and (d) The approval of Ministry of Labour & Employment was obtained before the Labour Bureau released New Series of Consumer Price Index numbers on base 2001=100 with effect from January, 2006 index on 9th March, 2006. All the technical details relating to the new series of Consumer Price Index Numbers on base 2001=100 have been approved by the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCLV

Exploitation of contract labour

831. SHRI S. ANBALAGAN: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Government are aware that contract labourers are exploited and are unable to get even a fraction of the facilities available to